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## Three new program standards for commercial radio

The ABA has determined three new program standards for commercial radio licensees.

'In its commercial radio inquiry, the ABA found a systemic failure to ensure the effective operation of self-regulation,' said Professor David Flint, ABA Chairman. 'There was, if not an ignorance of the commercial radio codes of practice, little commitment to them as the guiding force in the presentation of current affairs on commercial radio. The Authority concluded that the codes were not providing appropriate community safeguards for commercial radio.'

'The ABA has therefore put in place a period of more direct regulation. This is to be done through three standards. Unlike the codes, these will operate as conditions on a broadcaster's licence. A breach can lead to enforcement action.'

The three standards relate to disclosure of commercial agreements by presenters of

current affairs programs, the need to distinguish advertisements from other programs and the establishment of compliance programs by commercial radio licensees.

The standards commence operation on 15 January 2001 and end on 2 April 2003. This is the same expiry date as the conditions the ABA placed on the licence of 2UE Sydney following its investigation into that station.

The ABA expects the commercial radio industry to develop and submit to it for registration, codes of practice to operate from 3 April 2003 that will provide at least the same level of community safeguards as are contained in the standards.

'Radio is an influential medium,' said Professor Flint. 'In particular, the treatment of current affairs on radio can influence the course of political and social debate in Australia. Talkback announcers carry considerable weight with many listeners, and open-line current affairs programming

is a significant source of information and opinions for the entire community. Commercial agreements with sponsors should be disclosed to the listening public.'

The ABA will consult further with the Federation of Australian Radio Broadcasters (FARB) on its development of a new commercial radio code of practice on disclosure of commercial agreements in programs other than current affairs. As a requirement of code registration by the ABA, FARB will seek public comment on its proposed new code.

### The standards

The first standard, the *Broadcasting Services (Commercial Radio Current Affairs Disclosure) Standard 2000*, requires:

- on-air disclosure during current affairs programs of commercial agreements between sponsors and presenters that have the potential to affect the content of those programs;
- on-air disclosure during cur-

rent affairs programs of the payment of production costs by advertisers or sponsors;

- licensees to keep a register of commercial agreements between sponsors and presenters of current affairs programs and make it available to the ABA and the public; and

- licensees to ensure that a condition of employment of presenters of current affairs programs is that they comply with relevant obligations imposed by the Broadcasting Services Act, the commercial radio codes of practice and this standard.

Two different levels of information are required on the register. These are:

- in the case of current affairs programs produced or commissioned by the licensee or purchased from a person other than a second commercial radio licensee—full details of presenters' commercial agreements must be included on the register; and
- in the case of syndicated current affairs programs pro-



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duced or commissioned by a second licensee—the register must list the program and indicate which licensee's register has full details and where that register is available to the public.

The second standard, *Broadcasting Services (Commercial Radio Advertising) Standard 2000* requires licensees to ensure that advertisements are distinguishable from other programs:

The third standard, *Broadcasting Services (Commercial Radio Compliance Program) Standard 2000* requires licensees to formulate, implement and maintain a compliance program to ensure compliance with the requirements of the Broadcasting Services Act,

#### Commercial radio standards

The standards, the commercial radio inquiry reports, submissions and other public documents associated with the inquiry are available on the ABA's web site at: [www.aba.gov.au/what/investigate/commercial\\_radio/index.htm](http://www.aba.gov.au/what/investigate/commercial_radio/index.htm)

#### Submissions to the standards

The submissions can be viewed on the ABA's web site at [www.aba.gov.au/what/investigate/commercial\\_radio/final\\_submissions/index.htm](http://www.aba.gov.au/what/investigate/commercial_radio/final_submissions/index.htm)

## New deputy chairperson for the ABA

Ms Lyn Maddock has been appointed Deputy Chairperson of the ABA for three years commencing 13 December 2000.

Ms Maddock has extensive management and public policy experience across a range of areas, having held senior executive positions with the Productivity Commission, the

commercial radio standards and the commercial radio codes of practice.

#### Commencement

The three new commercial radio standards commence operation on 15 January 2001. This will give licensees time to prepare to meet their new obligations, with the first notification to the ABA of commercial agreements due within 28 days of the start date.

#### Consultation

Before determining a standard, the ABA is required to seek public comment on the proposed standard. In the final report on the Commercial Radio Inquiry (released on 2 August 2000) the ABA invited public comment on three proposed standards. The ABA received a total of nine submissions, from: Australian Association of National Advertisers; Australian Radio Network Pty Ltd; Broadcasting Operations Pty Ltd; Broadcasting Station 4IP Pty Ltd; Communications Law Centre; Federation of Australian Radio Broadcasters; Macquarie Radio Network; Mr John Sutton, academic, University of Newcastle; and Radio 2UE Pty Ltd.

# \$70 million bid for new Melbourne commercial FM radio licence

Melbourne Radio Pty Ltd, a subsidiary of DMG Radio Australia Pty Ltd, bid \$70 million for a new commercial FM radio licence for Melbourne at an ABA auction in Melbourne on 14 December.

'This successful auction represents the allocation of the first of the thirteen new radio services that the ABA has planned for the Melbourne area,' said Professor Flint.

'The sums received go back to the public, emphasising the strong public interest that has guided the ABA in determining the Melbourne plan.'

'This is a significant occasion in broadcasting planning in Australia. This is only the third commercial licence in a metropolitan area to be allocated by the ABA since its inception in 1992. It is the first new commercial licence for Melbourne in the last 20 years. And it means that the enormous task of planning the analog radio spectrum for this continent is now in its last stages.'

'Melbourne was always going to be a challenge. Faced with significant demands for new commercial, community and narrowcasting services,

the ABA looked to the first object in the Broadcasting Services Act. That is the promotion of the availability to Australian audiences of a diverse range of radio and television services offering entertainment, education and information.'

'The Australian model of broadcasting was one of the first to recognise that diversity is best achieved by a mixture, a balance, of different forms of services, commercial, public and later community.'

'Apart from reserving spectrum for the existing national services (ABC and SBS) there will be over a dozen new or enhanced services. The mixture ranges from local to Melbourne wide, and includes commercial, community and narrowcasting.'

'Thus even greater diversity and greater choice in broadcasting will be available to the people of Melbourne.'

Full payment for the licences must be made between 28 and 30 January 2001. The ABA will allocate the licence, which is to provide a service on 91.5 MHz on the FM band, as soon as possible after full payment is received.